

# The Essential Practices:

## Why They Matter



### ESSENTIAL PRACTICE #1

**The authorizer has a published and available mission statement for quality authorizing.**

*“A quality authorizer states a clear mission for quality authorizing.”*

Every effective organization needs a clearly articulated mission statement to guide its work. For charter authorizers, often inundated by the nuts and bolts of their daily work, a strong mission statement helps remind them why they are in the business: not to process paper but to expand educational opportunity for students—and to change lives. A simple, memorable mission statement functions as an authorizer’s North Star, guiding decisions by keeping minds focused on the real goal. In addition, a mission statement focused on quality authorizing can be especially important in prioritizing this work for the vast majority of authorizers that are part of agencies with a broader purpose than charter authorizing alone.

A quality authorizer not only creates but also communicates its mission through public statements and reports, and perhaps most important, in staff meetings and conversations at the water cooler. More than a slogan, the mission communicates the authorizer’s chartering purposes and commitment to the public, guides the way the authorizer does business and makes decisions, and sets a standard by which its own performance can be assessed.



### ESSENTIAL PRACTICE #2

**The authorizer has staff assigned to authorizing within the organization or by contract.**

*“A quality authorizer employs competent personnel at a staffing level appropriate and sufficient to carry out all authorizing responsibilities in accordance with national standards and commensurate with the scale of the charter school portfolio.”*

Quality charter school authorizing requires an unusually broad skill set: everything from academic knowledge to statistics and community relations. Every authorizer has to find ways of finding and deploying that expertise, especially at such peak times as application or renewal season. The job may involve few or many full-time employees (FTEs) on the core staff, depending on the size of the portfolio, and these may be supplemented by on-demand resources through contract. For authorizers located in school districts and universities, additional talent can be borrowed from other offices.

But there must be enough designated, full-time staff to build and maintain expertise in authorizing; to conduct consistent, ongoing quality assurance; to manage oversight; and to maintain institutional knowledge and stability. This is serious business and a public responsibility, and policymakers need to invest the resources needed for authorizers to do it correctly.



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## ESSENTIAL PRACTICE #3

**The authorizer signs a performance contract with each school.**

*“A quality authorizer executes a contract with a legally incorporated governing board independent of the authorizer.”*

A charter is a contract: a legally binding agreement between an authorizer and a school. It states the conditions of the school's operation (e.g., address, length of term, assurances about compliance with the law) and articulates the rights and responsibilities of each party regarding school autonomy, funding, administration and oversight, outcomes, measures for evaluating success or failure, performance consequences, and other material terms.

A charter contract is a document separate from a charter application. Simply signing an approved application and calling it a contract may seem to be a good shortcut, but this will likely lead to problems down the road. Without a contract, schools may not understand the terms for which they will be held accountable, and authorizers will have difficulties enforcing expectations.

Charter contracts make school-based autonomy and accountability real, and thus are critical for making the charter school concept work. Charter contracts protect school autonomy and safeguard schools from inappropriate intervention while at the same time establishing the performance standards that enable authorizers to hold schools accountable for results. They make clear the school's obligation to uphold the public trust and protect students' rights.



## ESSENTIAL PRACTICE #4

**The authorizer has established, documented criteria for the evaluation of charter applications.**

*“A quality authorizer implements a comprehensive application process that...follows fair, transparent procedures and rigorous criteria...”*

Solid evaluation criteria serve two major purposes. First and most important, they help ensure that only schools likely to improve educational outcomes for students are granted a charter. They create a methodical, merit-based, and rigorous structure for reviewing academic, operational, and financial plans, and guide the authorizer toward rigorous yet fair judgments about each. When the criteria are clearly communicated to applicants, as they should be, they provide petitioners a clear sense of what is expected of them and what constitutes a strong proposal.

Specific, publicized evaluation criteria also help authorizers ensure consistency in application reviews. They are worthwhile in themselves, but also are a strong shield against questions of bias and favoritism that could form the basis for an appeal of any decision to deny a charter. Establishing common standards that all applicants must meet for approval, and making sure applicants and the authorizer both understand them, help identify which schools will truly serve students best.



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## ESSENTIAL PRACTICE #5

### The authorizer publishes application timelines and materials.

*“A quality authorizer implements a charter application process that is open, well publicized, and transparent, and is organized around clear, realistic timelines.”*

A strong application process doesn't just finish strong, with comprehensive reviews and sound decisions. It also starts strong, with steps taken up front to ensure fairness and transparency. It is critical that all stakeholders—prospective applicants, the public, parents, and policymakers—know that the process is underway, understand its procedures and requirements, and have the opportunity to offer input and feedback. Sufficient time must be allocated to each of these steps so that everyone has a realistic opportunity to participate.

Transparency is important not only for public accountability; it is also a building block for quality. A comprehensive, detailed application process with clear guidance will enable applicants to create stronger proposals that contain the information authorizers need to make sound decisions, while encouraging applicants to undertake the rigorous planning needed to launch and sustain successful schools.



## ESSENTIAL PRACTICE #6

### The authorizer interviews all qualified charter applicants.

*“A quality authorizer rigorously evaluates each application through...a substantive in-person interview with the applicant group.”*

No matter how thorough the paper process is, nothing takes the place of looking applicants in the eye and asking detailed questions about their plans and capacities.

A substantive interview with the entire applicant team is essential for the authorizer to vet qualified applicants, follow up on questions raised by the written proposal, probe for detail, and evaluate an applicant's capacity to execute the school plan it describes. Interviewers should enter with a clear idea both of what they still need to learn about the applicant and a plan for getting this information, with questions designed to clarify and verify information presented in the written application.

Information from the interview can substantially change reviewer evaluations of a proposed school—in either direction. A conversation may reveal that a passage in the proposal was simply copied from another source, with little thought or understanding of the practice itself or the changed context. Sometimes an interview will reveal that an applicant actually has greater capacities than was conveyed in the written proposal. Both cases call for some reassessment.

NACSA recommends that authorizers interview every applicant they are considering for approval. Authorizers should deny interviews only to applicants who are ineligible to hold a charter or whose applications are incomplete or wholly devoid of merit. Authorizers who receive a large number of applications may choose to limit the number of interviews conducted in order to conserve limited resources, but should still make every effort to interview all qualified applicants. Some authorizers have developed effective and appropriate systems and processes for interviewing only those applicants that meet a minimum threshold of quality. Authorizers considering this approach should make certain that the standards used are as objective as possible and are clearly communicated as part of the application process.

Authorizers should not deny an applicant an interview arbitrarily or without first making a determination that the applicant's application fails to meet minimum approval requirements.



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## ESSENTIAL PRACTICE #7

**The authorizer uses expert panels that include external members to review charter applications.**

*“A quality authorizer engages, for both written application reviews and applicant interviews, highly competent teams of internal and external evaluators with relevant educational, organizational (governance and management), financial, and legal expertise, as well as a thorough understanding of the essential principles of charter school autonomy and accountability.”*

Strong charter school applications include a comprehensive educational program, a solid business plan, and a clear plan for effective governance and operations. They may also reflect an array of pedagogical philosophies and practices. To ensure each of these components is properly evaluated, a quality authorizer creates an application review team that possesses both knowledge of charter schooling and expertise in each specialized area that the team will review.

But it is the rare authorizer whose internal staff can cover all these bases, especially when dealing with more than a handful of applications at once. For this reason—and to minimize the likelihood of bias and limit any perception of undue influence—the evaluation team should also have at least some members who are independent of the authorizer. Authorizers should also ensure that each individual member has no real or perceived conflict of interest regarding any particular applicant.

Well-qualified independent reviewers bolster the integrity of the application process and help ensure it remains focused on the quality of each application, independent of political connections or factors unrelated to the merit of the proposals. External experts should be trained prior to the evaluation and can often be recruited on a volunteer basis. Successful charter school operators often are excellent contributors to review teams, because they know intimately what it takes to launch and sustain high-performing schools and have a strong interest in safeguarding the good reputation of charter schools collectively.



## ESSENTIAL PRACTICE #8

**The authorizer grants initial charter terms of five years only.**

*“A quality authorizer grants charter contracts for a term of five operating years, or longer only with periodic high-stakes reviews every five years.”*

Although some state laws allow or require shorter or longer terms—or don’t establish a term at all—there are good reasons for an initial charter term of five years. A five-year initial term allows a school to develop beyond its start-up phase and to produce a record of performance needed for thorough evaluation and high-stakes decision making.

Terms shorter than five years might appear to create greater accountability, but can actually hinder a school’s ability to raise money, recruit students, attract strong teachers, and establish a comprehensive performance record. Shorter terms also increase administrative costs by requiring more frequent renewal processes and may erode autonomy by tempting authorizers to impose their own prescriptions for improvement.

Terms longer than five years can allow low-performing schools to escape or delay accountability. If state law calls for initial terms of 10 or 15 years, or permits longer terms after the first renewal, authorizers should still undertake a high-stakes review at least every five years equal in scope and rigor to the review a school undergoes at the end of its charter term.



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## ESSENTIAL PRACTICE #9

**The authorizer requires and examines annual, independent financial audits of its charter schools.**

*“A quality authorizer requires and reviews annual financial audits of schools, conducted by a qualified independent auditor.”*

Charter schools are entrusted with responsibility for millions of dollars of public funds, so they must be accountable for sound fiscal management and appropriate use of public resources. Annual financial audits allow authorizers to assess whether a charter school is living up to its financial responsibilities and fulfilling the public trust. Annual audits help the authorizer evaluate a school’s short- and long-term financial viability and the effectiveness of its internal controls. By collecting and reviewing annual audits, authorizers can be alerted to problems that otherwise would not be apparent and can be proactive in addressing them.

Because an audit happens after the fiscal year closes, many authorizers supplement the audit requirement with regular reviews of financial statements throughout the year to get a clearer picture of month-to-month spending, cash balances, and other indicators of real-time financial health or stress.



## ESSENTIAL PRACTICE #10

**The authorizer has established renewal criteria.**

*“A quality authorizer clearly communicates to schools the criteria for charter revocation, renewal, and non-renewal decisions, consistent with the charter contract...”*

Charter schools should from the outset have a clear understanding of what it will take to earn renewal of their charter. The charter contract expresses a school’s commitment to achieve certain academic and operational goals and outcomes; renewal criteria state the standards that will govern the renewal decision itself. They should answer the question, “How good is good enough for this school to continue?”

Renewal criteria should be just as transparent as those guiding the application process. Whether through a set of protocols applicable to all schools or through specific criteria addressing a particular school’s goals, they should be in place early enough for schools to plan a full charter term’s worth of activities and instruction around the achievement of renewal targets.

Renewal criteria should form the bases of authorizers’ annual reporting to schools and the public on each charter school’s performance and progress. There should be several years of relevant data in hand when the renewal decision-making process starts.

Renewal criteria don’t paint a black-and-white picture; in addition to meeting academic performance thresholds, schools may have to show a positive trajectory, fulfillment of mission-specific objectives, and attainment of organizational and financial benchmarks. Authorizers still must exercise judgment about each case, but that judgment is far better informed when all parties agree about the location of the goal posts.



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## ESSENTIAL PRACTICE #11

### The authorizer has established revocation criteria.

*“A quality authorizer clearly communicates to schools the criteria for charter revocation, renewal, and non-renewal decisions, consistent with the charter contract.”*

Charter schools agree to accept greater accountability for outcomes in exchange for greater autonomy over inputs. When schools fail to meet the goals in their charter contracts, they risk non-renewal. When schools grievously abuse their autonomy by violating the law or the public trust, revocation is the ultimate accountability sanction.

Revocation and closure decisions are often highly contentious and put a spotlight on the soundness of an authorizer’s practice. Clear, objective, and rigorous standards for revocation, combined with a transparent public process, help parents and community leaders both to see the evidence of a school’s extreme underperformance or wrongdoing and to understand the necessity for urgent action to protect students.

Revocation criteria should be clearly articulated in the charter contract, and authorizers should create and publicize protocols that spell out the grounds for revocation and the procedures of revocation actions. These will help the authorizer defend and explain its actions to the school community if the authorizer must make the tough decision to terminate a charter prior to the end of its term.



## ESSENTIAL PRACTICE #12

### The authorizer provides an annual report to each school on its performance.

*“A quality authorizer provides an annual written report to each school summarizing its performance and compliance to date and identifying areas of strength and areas needing improvement.”*

Full transparency between an authorizer and its schools promotes school quality. While charter schools keep track of their own performance, they also need to know how their authorizers are viewing their progress. When contracts contain explicit goals and authorizers create performance frameworks showing what acceptable progress looks like, it becomes relatively easy to give schools detailed, annual feedback based on data the authorizer has collected over the past year. These annual reports should also give schools the opportunity to respond to, correct, or supplement the data to ensure a comprehensive, accurate record.

At the same time, the authorizer’s annual report to each school is more than data. It can also provide recognition to a school that is ahead of the curve or a timely reminder that a tune-up is needed. And because they are publicly available, these reports give parents, taxpayers, and policymakers good information for their own views and decisions about charter schools.

Most important, annual performance reports mean that authorizers are taking a routinely scheduled look at each school’s status, accumulating the evidence needed to make sound decisions at renewal time, communicating clearly and regularly with schools on their performance, and keeping the public in the loop about how their public charter schools are doing.

